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Buildings and Building Land**RESTRICTED**

In general, the value of buildings and building land equals the purchase price, provided the latter exceeds appraisal on the basis of the following paragraph.

If the property was not acquired by purchase, its value shall be appraised according to the building tax basis at the following rates:

a. If the building tax basis does not exceed 3,000 forints, the value of the building shall be equal to the building tax basis multiplied by six in the area of Budapest; multiplied by seven in provincial cities; and multiplied by eight in towns.

b. If the building tax basis is over 3,000 forints but does not exceed 10,000 forints, the total value shall be the amount arrived at under a above, plus the amount in excess of 3,000 forints multiplied by four.

c. If the building tax basis is over 10,000 forints, the total value shall be equal to the amount arrived at under b above, plus the amount in excess of 10,000 forints multiplied by three.

Example: If the property is located at Budapest and the building tax basis is 18,000 forints, the value shall be appraised at 70,000 forints as follows:

3,000 forints x 6	18,000 forints
7,000 forints x 4	28,000 "
8,000 forints x 3	24,000 "
Total value	<u>70,000 forints</u>

Working Capital of Industrial and Commercial Enterprises

The working capital of industrial and commercial enterprises shall be appraised as follows:

If the taxpayer keeps books and prepares balance sheets, the value of the working capital shall be established from the inventory.

If the taxpayer keeps only informal notes instead of books, the working capital shall be appraised at 10 to 60 percent of gross revenues, depending on local conditions.

For small businesses, where turnover furnishes the best clue to the amount of working capital, the latter shall be taken as equal to three to ten times the amount of income tax for 1950.

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Tax returns must be filed and all preparatory work in connection with the levy of property tax must be completed by 31 May.

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